

mean. And the stock market responded favorably by going up 257 points.

On September 18th, the New York Times, and this is the third time that that has come about in the last several weeks, the New York Times editorialized about why we needed a worldwide Federal Reserve system to bail out the countries involved in this financial crisis.

Yesterday, on the very same day, there was another op-ed piece in the New York Times by Jeffrey Garten, calling again for a worldwide central bank, that is, a worldwide Federal Reserve system to bail out the ailing economies of the world.

The argument might go, yes, indeed, the financial condition of the world is rather severe and we should do something. But the financial condition of the world is in trouble because we have allowed our Federal Reserve System, in deep secrecy, to create credit out of thin air and contribute to the bubble that exists. Where else could the credit come from for a company like Long-Term Capital Management? Where could they get this credit, other than having it created and encouraged by a monetary system engineered by our own Federal Reserve System?

We will have to do something about what is happening in the world today, but the danger that I see is that the movement is toward this worldwide Federal Reserve System or worldwide central bank. It is more of the same problem. If we have a fiat monetary system, not only in the United States but throughout the world, which has created the financial bubble, what makes anybody think that creating more credit out of thin air will solve these problems? It will make the problems much worse.

We need to have a revamping of the monetary system, but certainly it cannot be saved, it cannot be improved, by more paper money out of thin air, and that is what the Federal Reserve System is doing.

I would like to remind my colleagues that when the Federal Reserve talks about lowering interest rates, like Mr. Greenspan announced yesterday, or alluded to, this means that the Federal Reserve will create new credit. Where do they get new credit and new money? They get it out of thin air. This, of course, will lower interest rates in the short run and this will give a boost to a few people in trouble and it will bail out certain individuals.

When we create credit to bail out other currencies or other economies, yes, this tends to help. But the burden eventually falls on the American taxpayer, and it will fall on the value of the dollar. Already we have seen some signs that the dollar is not quite as strong as it should be if we are the haven of last resort as foreign capital comes into the United States. The dollar in relationship to the Swiss frank has been down 10 percent in the last two months. In a basket of currencies, 15 currencies by J.P. Morgan, it is down 5 percent in one month.

So when we go this next step of saying, yes, we must bail out the system by creating new dollars, it means that we are attacking the value of the money. When we do this, we steal the value of the money from the people who already hold dollars.

If we have an international Federal Reserve System that is permitted to do this without legislation and out of the realms of the legislative bodies around the world, it means that they can steal the value of the strong currencies. So literally an international central bank could undermine the value of the dollar without permission by the U.S. Congress, without an appropriation, but the penalty will fall on the American people by having a devalued dollar.

This is a very dangerous way to go, but the movement is on. As I mentioned, it has already been written up in the New York Times. George Soros not too long ago, last week, came before the Committee on Banking and Financial Services making the same argument. What does he happen to be? A hedge fund operator, the same business as Long-Term Capital Management, coming to us and saying, "Oh, what you better do is protect the system."

Well, I do not think the American people can afford it. We do have a financial bubble, but financial bubbles are caused by the creation of new credit from central banks. Under a sound monetary system you have a commodity standard of money where politicians lose total control. Politicians do not have control and they do not instill trust into the paper money system.

But we go one step further. The Congress has reneged on its responsibility and has not maintained the responsibility of maintaining value in the dollar. It has turned it over to a very secretive body, the Federal Reserve System, that has no responsibility to the U.S. Congress. So I argue for the case of watching out for the dollar and argue for sound money, and not to allow this to progress any further.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

GLOBAL CREDIT CRUNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, we have crossed the threshold of uncertainty and we are now entering upon a new economic dimension. In fact, we have been in that dimension for some time now.

Recalling the global economy, it is an area that is fraught with dangers and difficulties for us and other economies around the world. In fact, we have

already seen its expression in East Asia, Russia and elsewhere, and the impact of the global economic decline is going to impact on us very soon and we need to prepare ourselves for it.

The Federal Reserve in that regard should have lowered interest rates a year ago when the Asian crisis first became a threat. Chairman Greenspan has told us many times that it takes a year or more for changes in monetary policy to express themselves and become workable in the real world.

In the meantime, things have only gotten worse. Economies all across Asia are depressed. Russia has collapsed, and Latin America looks like it will be the next region on the planet to contract this economic contagion.

The first signs of trouble are showing up on our shores: Lower corporate profits, a rising trade deficit, a decrease in exports, layoffs in the manufacturing sector, sinking commodity prices, and, now, a looming credit crunch.

Banks and securities firms the companies that were the biggest beneficiaries of the emerging market boom, are shaping up to be the biggest losers as these markets go bust.

Our largest financial firms gambled trillions of dollars on these economies in a daisy chain of derivative transactions that were essentially placing highly leveraged bets on everything from exchange rates to interest rates to government bonds in a variety of countries.

When the Russian government devalued its currency and defaulted on its obligations, it set off a global selling frenzy as these financial firms struggled to meet margin calls from their counterparts. Some of our biggest banks have announced losses of \$1 billion or more in these transactions.

Just yesterday, the New York Federal Reserve Bank orchestrated a multi-billion dollar bailout of a sophisticated hedge fund. These were not armchair investors who got in over their heads. This fund was run by the former head of a leading investment bank, two Nobel Prize-winning economists, and a former vice-chairman of the Federal Reserve Board. It is amazing to think that losses of this magnitude could happen in a market that is essentially unregulated. It is even more amazing that some of my colleagues in this Congress would tie the hands of the one regulatory agency, the Commodities Futures Trading Commission, that is looking into this situation.

The end result for the American people is that our banks are dipping into their reserves to cover these losses in these speculative derivatives transactions. This is money that will not be loaned to local businesses to financial local growth at home because it will not be there. This is money that will not help entrepreneurs with their start-up ventures. This is money that people will not be able to use to finance new homes, cars or other major purchases, because it will not be available.

It is imperative that the Federal Reserve's Open Market Committee lower short-term interest rates when they meet next Tuesday. Not only will this send a signal to the global marketplace that we are committed to the strength of our economy, but it will also help alleviate the coming credit crunch.

Last night I introduced House Concurrent Resolution 329, calling on the Federal Reserve Board to lower interest rates as soon as possible. I urge all of my colleagues to join me in sending this strong message to the Fed that the health of our economy depends on their expeditious action.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BILBRAY) is recognized for 5 minutes.

(Mr. BILBRAY addressed the House. His remarks will appear hereafter in the Extension of Remarks.)

BALANCING THE BUDGET ON THE BACK OF THE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I would like to address this body about the condition of the budget resolution that Congress is supposed to have passed several months ago. Indeed, it was supposed to have been completed on April 15th, and, here we are, we are in the last seven days of September, and we still have no budget.

Now, there are some that say, what is the worry? Is the budget not balanced? Can we not forget about having a Federal budget resolution that sets the spending levels for the various programs that we operate as a government? I submit we cannot.

There is good news. It does appear that if you only look at what is called the unified budget, which includes some surplus in the Social Security program, indeed we will have a surplus. But if you back out this borrowing from the Social Security program rather than the surplus, it now appears that we will have a deficit in the neighborhood of \$70 billion.

It does not make sense, Mr. Speaker, for us to continue to borrow from the Social Security Trust Fund, to take those payroll taxes that Americans are paying into the Social Security program and that their employers are matching, and to use part of that to operate the Federal Government.

When we say we have a surplus, we should reserve that phrase for the situation where we are no longer borrowing from the Social Security program.

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No, we do not have a surplus. We have a deficit this year. We need a budget resolution. We cannot simply brush this off as a formality that is not important.

There is another reason that we ought to have a budget resolution this year. That is because we are considering a reduction in taxes. I think every Member of this body would like to see us reduce taxes. The question is not should we reduce taxes, but the question is, when should we do it? A budget resolution would help us make this decision in a more rational fashion.

The proposal that we will be considering later this week will require an \$80 billion tax cut or provide for an \$80 billion tax cut over a period of 5 years. Many of us feel that this tax cut ought to be conditioned on first balancing the budget without using Social Security. We ought to say that we are not going to somehow take money from the payroll tax program and use that to support a tax cut. Instead, let us make sure that we either cut Federal programs to support that tax cut, or we truly have a surplus, and then have the tax cut.

Mr. Speaker, I think it is time for all of us in this body to call upon our leadership to appoint a conference committee so that the House and the Senate can get together and finally adopt a budget resolution.

When we adopt that budget resolution, we will know and this Nation will know that, No. 1, we do not have a surplus yet this year; and No. 2, they will know that if indeed we are going to talk about a tax cut, the only responsible way to discuss that tax cut is with full awareness that it is being financed with payroll taxes that otherwise ought to be set aside and protected for the Social Security program.

The SPEAKER pro tempore (Mr. BASS). Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

(Mrs. MINK of Hawaii addressed the House. Her remarks will appear in the Extensions of Remarks.)

TRIBUTE TO THE LATE REVEREND DR. AMOS WALLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to pay tribute to a great organizer, a visionary leader, a coalition-builder, a singer, and a preacher of the gospel, the Reverend Dr. Amos Waller, who recently made his transition and passed through this life.

Every once in a while a leader comes along who is gifted with the ability to magnetize people and draw them into

his presence, and keep them returning for more of whatever it was that they were receiving. Such has been the life and is the legacy of the Reverend Dr. Amos Waller, founder and pastor of the Mercy Seat Missionary Baptist Church.

Reverend Waller was a graduate of the Selma, Alabama, University of Baptist Faith, and was ordained as a minister in 1956. For the next 42 years he has been a preacher, pastor, revival evangelist, and lecturer, and was a chaplain for the A.R. Leak Funeral Home.

In addition to his work as pastor of Mercy Seat, Dr. Waller organized the WestSide Ministers Alliance, served with the Neighborhood Assistance Program in the city of Chicago's Department of Human Services, was politically active in his neighborhood, and provided food and shelter for the poor and needy members of his community.

As a matter of fact, not only did he provide food for the needy, but he was one who believed in the doctrine that man does not live by bread alone, and so a typical Sunday after services, hundreds of people would gather in his dining room for chicken and dressing and potatoes and turnip greens, and all of the other delights that he was noted for.

The Reverend Waller was a man of great diversity who became a board member of the National Baptist Convention U.S.A., and was a great friend of and worked closely with Reverend Sun Myung Moon. In August of 1995 he participated in an international marriage ceremony where 42 couples from his church united with over 3 million others throughout the world as they took and renewed marriage vows.

Reverend Waller has been a developer of ministers and of churches, and out of Mercy Seat came the New Home Baptist Church, where the Reverend Mac McCullough is the pastor; the Greater St. John Baptist Church, where the Reverend LeRoy Elliot is pastor; the Grace Temple Baptist Church, where Reverend Dennis Will is pastor; the Full Gospel Church, where Evangelist Betty Yancy is pastor; True Light Missionary Baptist Church, where the Reverend Freddie Brooks is pastor; Greater Damascus Missionary Baptist Church, where the Reverend Curley Brooks is pastor; New Christian Center, where the Reverend Greg Macon is pastor, and the Pleasant Valley Baptist Church, where Reverend Sparks is pastor.

Reverend Waller was affectionately known as Daddy by many of the younger ministers in his community and throughout the area, because he embraced them all.

Reverend Waller received awards from the mayor of Chicago, the Governor of Illinois. He and Mrs. Waller, who preceded him in death, were presented the 1996 Parents of the Year award for Illinois, in conjunction with a proclamation by President Clinton declaring July 26, 1996, as Parents Day.